

# CORPORATE REPORT TO THE COMMUNITY



FISCAL YEAR ENDING DECEMBER 31, 2006, AND BUDGET YEAR 2007

## PLANNING TODAY FOR A BRIGHTER TOMORROW

By Mayor Gene Winstead

**T**O PREPARE FOR THE FUTURE, IT IS important to establish a proactive, long-term vision for the community that will outline how we will meet tomorrow's challenges. Imagine Bloomington 2025 is the City's initiative to address challenges that include changing demographics, traffic congestion and housing. By creating a strategic plan to guide us for the next 20 years, we are committed to ensuring that Bloomington remains a high-quality place to live, work and visit.

Bloomington's financial condition continues to be among the best in the state and in the nation. The City maintains an Aaa credit rating from Moody's, an AAA from Standard & Poor's and an AAA from Fitch Ratings, the highest bond ratings awarded by those agencies. Of more than 19,000 municipal governments in the U.S., only 19, including Bloomington, have achieved three triple-A ratings. *See page CR6.*

The City Council adopted a 2007 General Fund budget with an increase of 4.97 percent. Property taxes allocated to the General Fund have increased only 3.54 percent annually over the past 15 years, from \$20 million in 1992 to \$33.7 million in 2007. Property values have increased 6.90 percent annually over the last 15 years.

The real estate market value in Bloomington continues to grow, topping \$11.7 billion in 2007 – an indication that Bloomington is a dynamic community where people want to live, do business and reinvest in homes, businesses and schools.

The City is providing leadership in sustainability, *see Briefing page 2*, more housing options for residents and improved infrastructure.

Highlights of 2006 include:  
Completing its first-phase construction, **Bloomington Central**



**Station**, the first and largest transit-oriented development in Minnesota and one of the largest underway in the nation, points the City to a more sustainable future. The two condominium towers of the 270-unit Reflections development opened for occupancy. In addition, a 1.6-acre urban park, located at the center of the development, celebrates a grand opening this June.

A 5.6 million square-foot plan for the **Mall of America's next phase** was approved by the City, along with settlement of ownership. The next phase now depends on appropriate financing.

**Lyndale Green**, the 95-unit senior cooperative, 38 townhouses and 12 "brownstone-style" row homes development at 84th Street and Lyndale Avenue, opened for occupancy around the centerpiece of a one-acre public park.

The **Village on 9 Mile Creek** began its second-phase construction of 38 townhouses on the former City Hall site at Penn Avenue and Old Shakopee Road.

The **Meadows at Oxboro**, 50 units of accessible and affordable one-bedroom units for seniors at 95th Street and Garfield Avenue, is scheduled for completion this spring.

The **Point** retail and office development on the northeast quadrant of France Avenue and Old Shakopee

Road was completed. The development includes a Snyder Drug store and Chipotle and Jamba Juice restaurants.

**American Boulevard's** last major upgrade was completed on this 30-year dream that stretches from 34th Avenue to East Bush Lake Road.

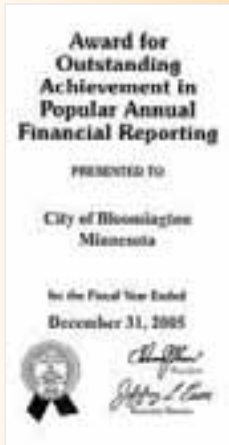
Three hotels, that will add 519 hotel rooms in Bloomington, are nearly complete: a **Cambria Suites** and **Hampton Inn** south of I-494 between 24th and 34th Avenues and a **Hilton** at the southwest corner of I-494 and France Avenue.

**Norman Pointe II**, a 332,000 square-foot office development located at Green Valley Drive and I-494, is currently underway. The building is scheduled for occupancy in late 2007.

Today, Bloomington enjoys award-winning schools, excellent financial strength, convenient access to transportation amenities including the airport and light rail, 9,000 acres of parks and open space, and property taxes that are among the lowest in the metropolitan area. Imagine Bloomington 2025 will enable us to move toward the future with confidence and ensure that tomorrow will be just as bright as today. While looking for new opportunities to enhance our city, we will continue to provide excellent services that meet our residents' needs for years to come.

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### CITY WINS FINANCIAL AWARDS

THE GOVERNMENT Finance Officers Association (GFOA) of the United States and Canada has given the City of Bloomington the Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended December 31, 2005. This prestigious national award recognizes the City's conformance with the highest standards for preparation of state and local government popular reports. The City of Bloomington has received the Popular Award for six years, the Distinguished Budget Award for the last 10 years and the Certificate of Excellence in Government Reporting for the past 35 years.

### CHECK OUT THE FINANCIAL REPORTS ONLINE

BLOOMINGTON'S 2007 *Annual Budget, Budget Summary, 2006 Comprehensive Annual Financial Report and Corporate Report to the Community* are available on the City's Web site. Visit [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us), keywords: Finance Department.

### SHARE YOUR THOUGHTS FOR BLOOMINGTON'S FUTURE AT OPEN HOUSES

TELL US ABOUT YOUR PREFERENCES FOR BLOOMINGTON'S FUTURE AT ONE OF FOUR OPEN HOUSES scheduled this summer or through an online survey from **June 18 - July 11** at [www.ci.bloomington.mn.us](http://www.ci.bloomington.mn.us). For more information, call Jill Hutmacher at 952-563-8541.

<b>Tuesday, June 19, 6 - 8 p.m.</b>	Bloomington Center for the Arts	1800 W. Old Shakopee Road
<b>Thursday, June 28, 6 - 8 p.m.</b>	Bloomington Center for the Arts	1800 W. Old Shakopee Road
<b>Tuesday, July 3, 5 - 10 p.m.</b>	Summer Fete	84th Street and Normandale Blvd.
<b>Saturday, July 7, 8 - noon</b>	Farmers' Market	1800 W. Old Shakopee Road

### THROUGHOUT THIS REPORT

The monthly expenses for City services described in this report use a median-priced home in Bloomington that has an assessor's market value, payable in 2007, of \$244,800, with monthly property taxes for City services of \$62.66.



VALUE FOR YOUR DOLLAR



CITY OF BLOOMINGTON ORGANIZATIONAL CHART

BLOOMINGTON’S CHARTER PROVIDES for a council-manager government. The City Council and Mayor, who serve part time, are elected by the people, exercise legislative power and determine all City policies. Advisory boards and commissions gather information and advise the City Council on specific issues. Policy development and day-to-day operations are directed by the Council-appointed City Manager. The City Manager oversees the eight departments and the Technical Services Group that carry out the services, activities and policies of the City of Bloomington.

*Imagine...*

continually well-maintained streets and a savings of \$113 million by 2025.

The Pavement Management Program increases a street’s lifespan and reduces overall costs to property owners by using preventative maintenance strategies, such as overlays, to delay costly reconstruction. It is predicted that only 7 percent of streets will fall into the problem category by 2025, compared to 46 percent of streets that would fall into the problem category if no overlay strategies were used.

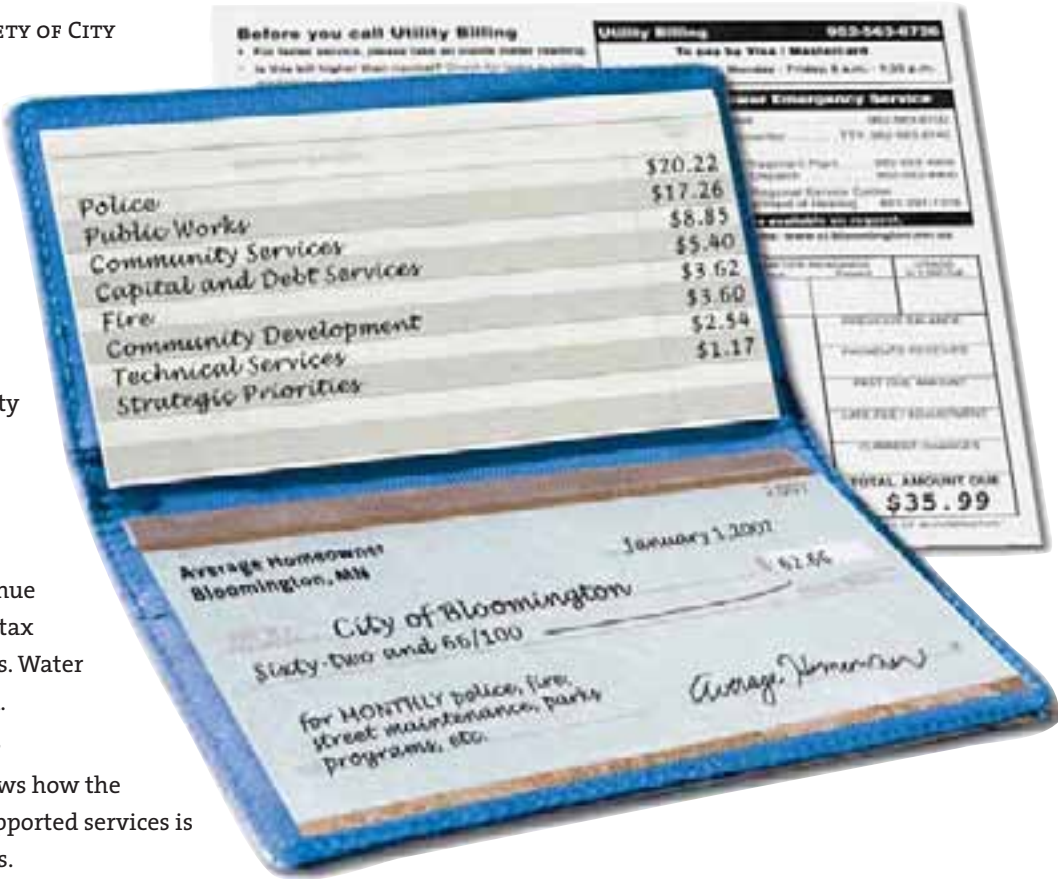
HOW TAX DOLLARS BUY CITY SERVICES  
HIGH-QUALITY CITY SERVICES REMAIN REASONABLY PRICED FOR BLOOMINGTON RESIDENTS

RESIDENTS RECEIVE A VARIETY OF CITY services at an affordable price. The cost of City services in 2007 for the owner of a median-priced, single-family home in Bloomington with an assessor’s market value of \$244,800 is \$62.66 per month. Utilities remain competitively priced in 2007. The value received from City services compares favorably to charges for other monthly bills.

Net property tax cost is obtained by subtracting all revenue sources other than the property tax from departmental expenditures. Water and sewer utilities are fee-based.

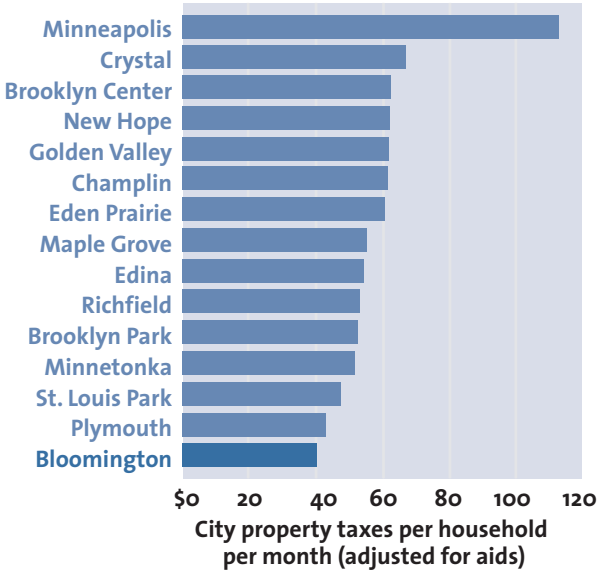
**Property tax-supported services**  
The checkbook, *at right*, shows how the monthly cost of property tax-supported services is divided among City departments.

**Monthly cost of utilities**  
Based on an average usage of 7,500 gallons per month, monthly cost of utilities for a home in Bloomington is \$35.99 in 2007. *See above illustration.* Services include water, sewer, stormwater and solid waste.  
*Note: Water bills are mailed bimonthly and average \$71.98 per bill.*



BLOOMINGTON RANKS WELL IN HENNEPIN COUNTY TAX RATE COMPARISON

IN A 2006 COMPARISON OF 15 COMMUNITIES IN HENNEPIN COUNTY WITH MORE THAN 20,000 residents, the average household cost of services in terms of property taxes



and property tax aids (when adjusted for fiscal disparities) showed Bloomington ranking lowest. The average household, including single-family dwellings, condominiums, townhomes and apartments in Bloomington paid \$40.03 per month in property taxes to the City.

STRONG HOME VALUE GROWTH CONTINUES



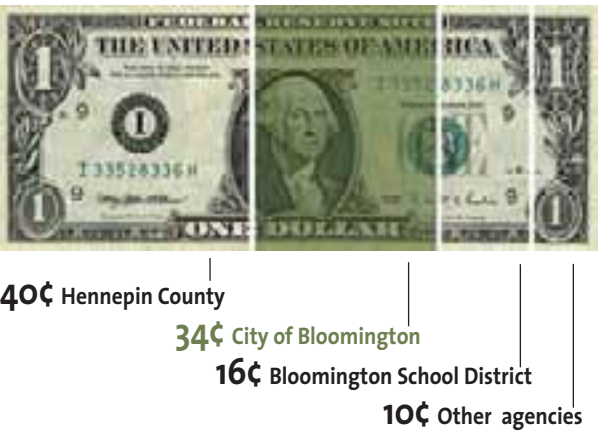
CITY SERVICES PROVIDE A STABLE foundation, helping home values grow. Median home value increased from \$231,200 in 2005 to \$244,800 in 2006, a 5.9 percent increase.

The City works hard to provide a broad range of quality municipal services at one of the lowest property tax costs per household among Hennepin County communities with more than 20,000 residents. Homeowners’ investment of approximately \$752 per year in City services has helped the median home value to increase more than \$17,600 per year for the past five years. Investing in services is one of the factors that helps promote home equity appreciation.

DIVIDING UP YOUR 2007 TAX DOLLAR

YOUR TAX DOLLAR IS DIVIDED AMONG SEVERAL GOVERNMENTAL entities. As the graphic shows, for every dollar of taxes paid, 34 cents are for City services.

The actual amount of taxes owed is based on market value, tax law and the levy. The levy for all local governmental entities is spread across properties within each entity’s respective boundaries using tax capacity, a function of market value and property type. After applying educational aids, a Bloomington homeowner with a median-valued home pays \$2,558 in property taxes. Of that, \$752, or \$62.66 per month, goes to the City for services. The remaining \$1,806 goes to the School District, County and other taxing districts.

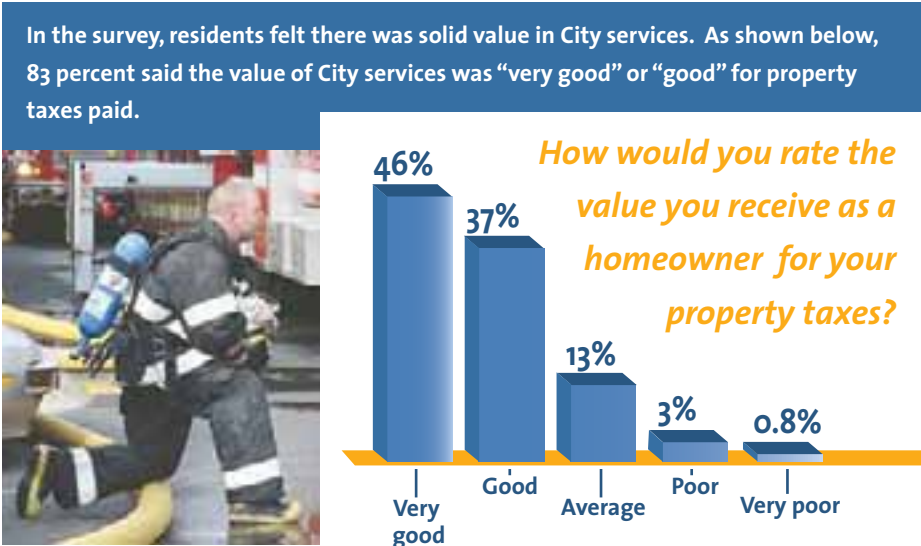




REACHING OUR GOALS

EXCELLENCE IN SERVICE  
HIGHLIGHTS OF 2006

THE CITY PROVIDES QUALITY services that lay the groundwork for the future. As part of the Imagine Bloomington 2025 community outreach process, residents were asked for their input on how they envisioned Bloomington’s future. The service highlights of 2006 are compared with the results of a resident online survey conducted in October 2006.

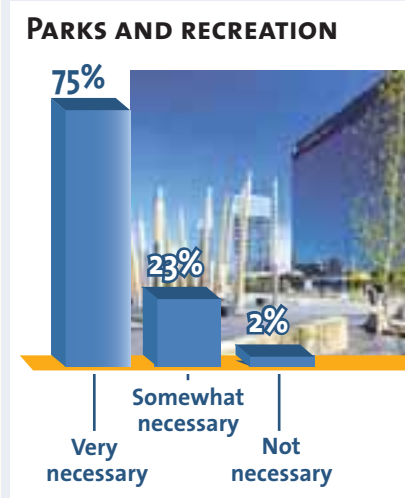
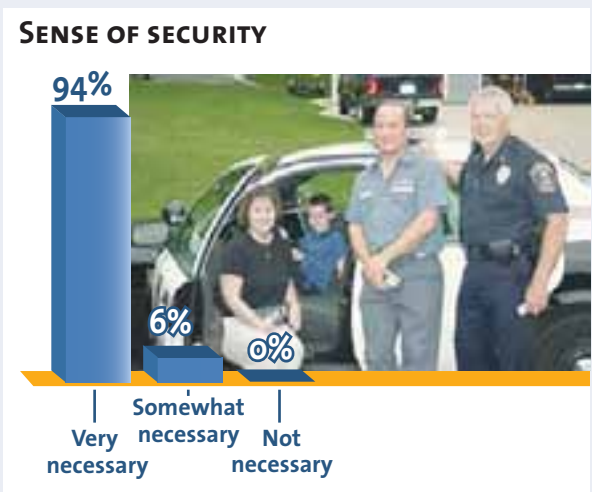


Imagine... continued opportunities for green places to throw a Frisbee, play softball, take a walk or connect with nature. The City is undertaking a comprehensive update of Bloomington’s Park Master Plan that will establish a 20-year vision for park, recreation, open space, cultural and historical preservation, public art, and trail and bikeway systems.

How necessary are the following factors to quality of life?

SAFE NEIGHBORHOODS

Proactive police services address a wide array of concerns from residents, including traffic safety, neighborhood disputes and crime prevention. *Neighborhood Watch* is comprised of residents who meet to discuss ways to reduce crime. An annual Police Department workshop trains and educates block captains so they can incorporate crime prevention techniques in their neighborhoods. Neighborhood Watch groups have grown from 24 in 1992 to 336 in 2006. To further ensure safe Bloomington neighborhoods and developments, Police have collaborated with other City departments since the mid-1980s to employ design elements in development projects that help deter crime.



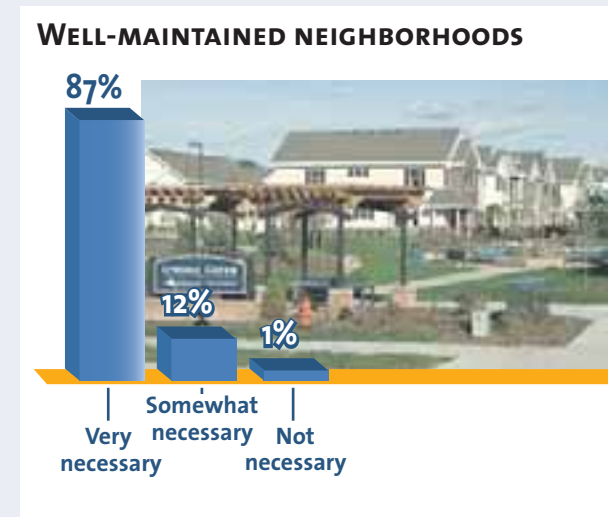
PARK IMPROVEMENTS

The City completed three new parks in 2006.

A 1.6-acre public park, located at the center of the *Bloomington Central Station* development, created a space for people to gather. The \$3.5 million park was funded with \$800,000 in transit-oriented development grants from Hennepin County and \$2.7 million in grants from the Metropolitan Council.

*Lyndale Green Park*, 84th Street and Lyndale Avenue, features an arbor, seating plaza, paved walkways, natural gardens, a swinging bench and open lawn. The one-acre public park is a cooperative effort between Bloomington-based United Properties, the Bloomington Housing and Redevelopment Authority and the City. United Properties contributed \$150,000 toward construction costs for the \$300,000 project.

*Cedarcrest Park*, 86th Street and Bloomington Avenue, features a water-play area, playground equipment, tennis and basketball courts, paved walkways, picnic tables, benches and landscaping. Cost of improvements was \$298,000. The project was a cooperative effort between Cedar Valley Church and the City.



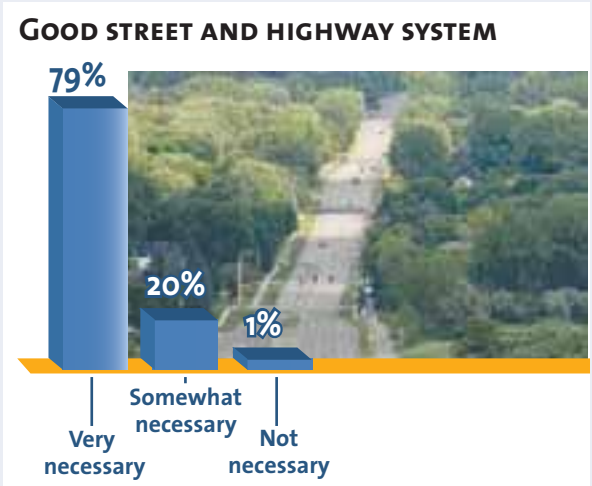
IMPROVING NEIGHBORHOOD APPEARANCE

Bloomington’s programs to encourage maintenance and improve neighborhood appearance have been in place since 1994. The City’s goal is to increase compliance with ordinances and reduce the need for complaints by informing residents of City Code requirements. The *Community Enhancement Program* promotes education and enforcement of zoning regulations, nuisance abatement and property maintenance to address violations proactively before they become complaints. The result is greater compliance after the initial correction order, as compared to compliance with orders issued after a complaint was filed.

In 2006, the third phase of the Community Enhancement Program addressed specific blocks instead of entire neighborhoods, allowing for more thorough inspections and focusing on locations where most complaints occur. Of the 305 properties inspected in 2006, 60 percent were given correction orders. Currently, 6 percent, or 19 homes inspected in 2006, have unresolved code violations.

PROGRAM PROLONGS PAVEMENT LIFE

The City has a successful program for maintaining the life of Bloomington’s streets. The *Pavement Management Program* (PMP) identifies, inventories and tracks street conditions to ensure that the appropriate maintenance is done at the appropriate time. The results are prolonged pavement life and reduced overall costs to property owners. The PMP was initiated to keep an already good maintenance program rolling for Bloomington’s aging streets. In 1992, it was predicted that if no program were adopted, more than 45 percent of streets would fall into the problem category by 2012. Since the program began more than 15 years ago, less than 5 percent of streets are currently in the problem category.





# Envision Prepare Opportunity Imagine Believe Real Possibilities

## A vision for the future

### BLOOMINGTON: THE COMPLETE CITY CREATING A PATH TO SUCCESS

#### THE COMPLETE CITY BLOOMINGTON AS AN OUTSTANDING EXAMPLE

THE DEFINITION OF “COMPLETE” describes some of the high-quality and transformative qualities that the City of Bloomington is incorporating in its vision statement for the community’s future.

**com•plete** |kəmˈplēt| adjective

1. Having all parts or elements; lacking nothing; whole; entire; full.
2. Being an outstanding example of a kind; quintessential.
3. Having all the required or customary characteristics, skills, or the like; consummate; perfect in kind or quality.
4. Thorough; entire; total; undivided or uncompromised.

**A** COMPELLING VISION AROSE OUT of the strategic planning process. Bloomington: A Complete City conveys the idea of keeping what people already like, such as parks and public safety, while recognizing that Bloomington needs to make continuous improvements to become the consummate city.

Nearly 900 residents participated in public meetings, focus groups and online surveys last fall. They gave their vision of what Bloomington should look like in 20 years. Topping the list of what residents say they want for the future are safe and well-maintained neighborhoods, high-quality schools and stewardship of natural areas. As the City develops long-

term goals for 2025, the focus will center on the following key areas: City Services, Housing and Community, Transportation, People and Culture, Education and Employment, and Parks, Recreation and Open Space.

Here’s how some participants imagine Bloomington’s future.

*A sense of safety and security is important if your community is going to grow and be vital. If people feel a bunker mentality – that they can’t go out, safely recreate, use the parks, send their kids to school or go shopping – then nobody wins.*

*Police Chief John Laux, 44-year resident*



#### CITY SERVICES PROVIDE SERVICES THAT PROTECT AND ENHANCE OUR LIVES

“Sense of safety and security” ranked first among survey respondents’ quality-of-life factor. Participants also said that “safe place” is Bloomington’s number one strength. A city’s reputation for safety is paramount. It is important to ensure Bloomington maintains its good reputation so that activity will continue in the community’s streets, parks and public spaces. The public also has high expectations that local government will provide for the safety of its citizens during an emergency. The City will increasingly be a primary responder in all types of emergencies and continue to identify and address future challenges.



*People want the City to enforce property maintenance. Residents keep their houses and yards nice and expect to live in neighborhoods with similarly kept properties. Sooner or later they’re going to sell their houses. For a potential buyer, a clean, attractive-looking neighborhood is going to make them confident about investing. In addition, people say that the appearance of nearby commercial property affects the impression of their neighborhood.*

*Community Development Director  
Larry Lee, 20-year resident*

#### HOUSING AND COMMUNITY ENSURE CLEAN NEIGHBORHOOD AND COMMERCIAL AREAS

“Well-maintained neighborhoods” was the second important quality-of-life factor, according to survey respondents. More than half of Bloomington’s single-family housing was constructed in the 1950s and 1960s. One major concern was that some areas were starting to look old and worn. The strategic plan will look at how to address the continuing maintenance of the city’s neighborhoods and commercial properties. Renewing the community will also attract new residents and businesses, ensuring that Bloomington will remain competitive with more recently developed cities.

*I’ve seen housing develop since 1959 in Bloomington. As we moved from east to west the properties got more expensive and bigger. Many of us who have been here for a long time don’t want to leave Bloomington, but can no longer physically handle the large houses. Not all of us want the really expensive ones with more levels. Many of us need one-level, two-bedroom homes with no steps. We want to stay here and continue to be a part of Bloomington.*

#### OFFER A WIDE VARIETY OF HOUSING CHOICES

Residents said they value quality neighborhoods with diverse types of housing. From the 1940s to the present, Bloomington has seen the development of a wide variety of housing. Changing demographics that include an older population, fewer households with children and smaller families will determine the variety of housing necessary for the future. As older residents move into other types of housing, single-family homes will be available for families wanting to take advantage of the excellent education provided by the Bloomington School District.

*Pat Reichert, 48-year resident*





LOOKING AHEAD



*All people have hardware – organs, eyes, faces, hearts, the body – that is almost similar. But the software of which we’re built is different. I grew up in Egypt. I was programmed differently. I react to situations differently. I have my own mind-set on things. So when we blend in all those things that people from*

*different cultures with different software offer into one goal – to achieve and accomplish their mission on the job – we’re going to get some of the best ideas in being the best in business.*

Bahgat Elsagher, 15-year employee, Seagate

*Transportation is important because for the past 50 years cities have been built for the automobile rather than for individual transportation. Today that’s changing considerably because we have so many jobs in Bloomington. People need to be able to move to and from their jobs comfortably and to and from entertainment and civic functions. Some day when I’m a senior citizen, we will probably need transportation that is easily accessible, safe and secure.*

Ted Nemzek, 20-year resident



PEOPLE AND CULTURE  
EMBRACE DIVERSITY AND CULTURES OF OTHERS

As Bloomington’s population becomes more ethnically, racially and culturally diverse, the City will need to offer services that meet the needs of this changing population. Shifting demographics not only affect the way the City communicates with various groups, but also interactions between members of the community. Residents said they want a rich, culturally diverse environment that includes restaurants, ethnic shops, and arts and historical assets. People expressed the desire to reach out to their neighbors and enhance their sense of community.



*Education is very important to Bloomington. I’m a 29-year resident. I’ve had five children who have gone through the Bloomington Public Schools. When it was time for me to finish my degree, I came to Normandale Community College. I’ve seen how education can transform lives. I would like to see everyone have the experience of an education.*

Barb Teed, 29-year resident

TRANSPORTATION  
CREATE CONVENIENT, SUSTAINABLE MEANS TO REACH OUR DESTINATIONS

Convenient and sustainable transportation is important to the future needs of residents, who said they don’t want to rely solely on private automobiles to meet their transportation needs. “Develop pedestrian- and bike-friendly routes” was the number one response for investing in the city’s transportation system; “improve public transit” was the

number two response. Increasing walkability and biking routes in Bloomington will also enhance the health and recreation opportunities for the community.

It is very important that the city’s roads are maintained and in good condition. “Repairing city streets” was the number one service for which people would pay more taxes, if necessary.

Many city streets were installed more than 50 years ago during Bloomington’s population and building boom. The time is approaching when these streets will need to be reconstructed. Continuing initiatives such as the Pavement Management Program will identify problem areas and develop maintenance and replacement schedules for Bloomington’s aging streets.



*It’s so very important to protect and conserve the natural spaces that we have for wildlife and for ourselves. Green places protect our water and air. We need that. I think it’s just very important that people of all ages get to enjoy the cycles of nature and, at the same time, conserve it for our next generation.*

Monica Williams, 19-year resident

PARKS, RECREATION AND OPEN SPACE  
CARE FOR OUR NATURAL ENVIRONMENT AND MEET RECREATIONAL NEEDS

In the 1950s, as Bloomington developed, the City created public parks and open spaces, envisioning a playlot, playground or park within walking distance of all residents. Today, one-third of the community, or more than 9,000 acres, is parks and open spaces. Looking ahead 20 years, survey respondents listed protecting the environment and providing stewardship of natural areas as priorities. In addition, it will be necessary to look at how park facilities and recreational programs will continue to meet the needs of Bloomington’s residents.

EDUCATION AND EMPLOYMENT  
SUPPORT EXCELLENT SCHOOLS, BUILD AND MAINTAIN JOBS

Participants stated repeatedly that education – the city’s schools and colleges – is one of Bloomington’s key strengths. When asked, 92 percent of residents said the quality of schools in Bloomington was excellent or good. According to a new survey commissioned by the School District, good schools were the most important factor when families selected Bloomington as a place to live. By maintaining top-rated schools, Bloomington will continue to be a popular city in which to live and work. It is also important to create and maintain a balance of jobs in Bloomington. Maintaining good transportation facilities and providing excellent City services will ensure that Bloomington remains an attractive place for businesses that expand the tax base and create jobs.





## SETTING HIGH STANDARDS

### 2007 OPERATING REVENUE SOURCES

THE CITY’S MAJOR FUNDS FALL INTO THE categories of General, Enterprise, Debt Service, Capital Projects, Internal Service and Special Revenue. Shown on the next three pages, these funds demonstrate how quality City services provide a good value for your tax dollar.

Bloomington’s low property tax rate is maintained by maximizing other funding sources and increasing productivity. By diversifying revenue, the City is in a strong position to withstand economic shifts.

Property taxes	\$38,465,149
Fees/charges	22,811,075
Program income	6,919,386
Lodging/admissions	5,807,040
Licenses/permits	4,453,435
Intergovernmental	3,498,268
Transfers/other	2,886,252
Special assessments	1,806,000
Interest	1,398,799
Fines/forfeitures	1,287,835
Franchise fee	918,000
Total revenues	\$90,251,239

### 2007 BUDGETED EXPENDITURES BY FUND

THE CITY OF BLOOMINGTON’S BUDGETED expenditures for 2007 total \$90,998,483.\*

General Fund	\$49,690,289
Enterprise Funds	32,032,749
Special Revenue Funds	4,550,286
Debt Services	4,725,159
Total expenditures	\$90,998,483

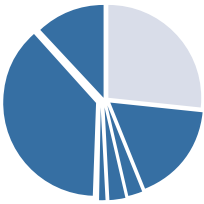
\* The \$747,244 million difference between 2007 revenues and expenditures is the planned expenditure(s) of reserves for Capital Projects.



*Imagine...*

new developments  
that strengthen the  
city’s tax base and create jobs.

Over the next 20 years, an additional 1.5 million square feet of office space could be constructed on vacant and redeveloped parcels near the intersection of I-494 and Normandale Boulevard. Significant office development is also anticipated in Bloomington’s Airport South District.



### THE GENERAL FUND

THE GENERAL FUND, WHICH ACCOUNTS FOR A MAJORITY OF CITY SERVICES, IS BLOOMINGTON’S PRIMARY operating fund. It uses current revenues to fulfill current expense obligations. This section contains specific information about each department within the General Fund.

	2006 EXPENDITURES	2007 BUDGET	NET PROPERTY TAX*
POLICE	\$15,981,132	\$16,822,635	\$20.22
	The Police Department works with the community to make the city a safe place to live, and partners with residents and businesses to address their diverse needs.		
PUBLIC WORKS	\$10,759,667	\$10,855,890**	\$17.26
	Public Works provides safe and efficient transportation routes throughout Bloomington; maintains the City’s streets, parks, vehicles and public facilities; and reviews the impact construction and development projects will have on local and regional infrastructure.		
COMMUNITY SERVICES	\$7,691,333	\$8,175,298	\$8.85
	Community Services fosters opportunities for all residents, manages parks and recreational activities, produces communication materials and provides public health services.		
FIRE	\$2,376,472	\$2,670,237	\$3.62
	The Fire Department protects the community by performing rescues; responding to fires, emergencies and hazardous materials incidents; and teaching fire prevention.		
COMMUNITY DEVELOPMENT	\$5,100,000	\$5,582,554	\$3.60
	Community Development partners with the community to enhance Bloomington through planning, economic development and redevelopment activities. The department promotes safety by obtaining compliance with state and City codes.		
TECHNICAL SERVICES	\$1,924,530	\$2,109,146	\$2.54
	Technical Services furnishes licensing, assessment, elections, records management and cemetery services to Bloomington’s residents as well as internal technology support to City departments.		
FINANCE	\$982,068	\$1,247,007	***
	Finance provides financial management services and internal support services to other departments.		
LEGAL	\$1,061,093	\$1,009,738	***
	Legal advises the City Manager, City Council, City departments, and advisory boards and commissions.		
HUMAN RESOURCES	\$538,564	\$758,273	***
	Human Resources recruits and assists in hiring staff, oversees employee benefit programs and conducts employee relations activities on behalf of the City.		
COUNCIL, COMMISSIONS, CITY MANAGER	\$602,102	\$649,940	***
	Bloomington is governed by an elected, part-time City Council consisting of a mayor and six councilmembers. Legislative power is vested in this Council, which appoints citizens to advisory commissions, and a City Manager, who is responsible for the administration of City business. The City Manager appoints all other employees and performs duties as directed by the Council.		

\* Net property tax is the portion of the levy allocated to these services per month.  
\*\* Includes \$1.7 million in Strategic Priority Funds for the Pavement Management Overlay Program.  
\*\*\* These administrative services are allocated to other funds and programs.

### A SIGNIFICANT FINANCIAL ACHIEVEMENT – THREE TRIPLE-A RATINGS TOP SCORES FROM S & P’s, MOODY’S AND FITCH

BLOOMINGTON RANKS WITH AN ELITE few cities nationwide in holding three triple-A bond ratings. The City maintains its Aaa from Moody’s, AAA from Standard & Poor’s and AAA from Fitch Ratings, the highest bond ratings awarded by these agencies.

Bloomington is one of only 19 cities out of more than 19,000 municipal governments in the U.S. that have achieved triple-A ratings from all three agencies. Our city is currently the only city in Minnesota to hold all three highest ratings.

According to the agencies, Bloomington’s triple-A status reflects the City’s conservative fiscal management, diverse economic base, central location, low unemployment rates that fall below state and national averages, and continued success in the Mall of America tax increment district.

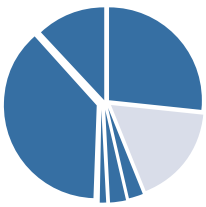
The City’s excellent bond ratings signal current and potential investors that our financial future is strong and ensures Bloomington’s interest costs will remain as low as possible. It also communicates to businesses and

individuals that Bloomington is a healthy community.





## PREPARE TO MEET CHALLENGES

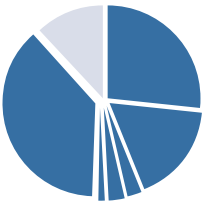


### ENTERPRISE FUNDS

THESE FUNDS CONSIST OF UTILITIES, RECREATIONAL FACILITIES AND CONTRACTUAL POLICE SERVICES primarily supported by user fees.

		2006 EXPENDITURES	2007 BUDGET	AVERAGE FEE PER MONTH
COMMUNITY SERVICES	RECREATIONAL FACILITIES	\$4,752,972	\$5,320,323	\$1.15*
PUBLIC SAFETY	CONTRACTUAL POLICE	491,885	525,000	--
PUBLIC WORKS	SOLID WASTE MANAGEMENT	776,338	832,719	2.20**
	STORM WATER UTILITY	2,343,147	3,861,382	4.53
	WASTE WATER UTILITY	9,328,488	9,539,713	11.71
	WATER UTILITY	10,075,117	11,357,963	17.55***
TECHNICAL SERVICES	MOTOR VEHICLE OFFICE	513,129	560,649	--

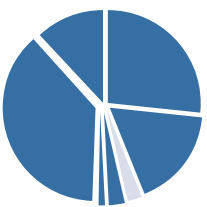
- \* Amount is included in the \$8.85 that the property owner of a median-valued home pays for Community Services per month.
- \*\* Not including a 62-cent recycling credit residents receive per month from a county grant.
- \*\*\* Based on 7,500 gallons per month.



### INTERNAL SERVICE FUNDS

THESE FUNDS FINANCE INTERDEPARTMENTAL GOODS AND SERVICES ON A COST-REIMBURSEMENT BASIS from a variety of end-user funds. Internal Service Funds are supported by interdepartmental user fees already included as expenses to other funds in this report.

	2006 EXPENDITURES	2007 BUDGET
EQUIPMENT POOL	\$4,507,122	\$5,352,488
FACILITIES REPLACEMENT	4,803,646	3,543,493
INFORMATION SYSTEMS	2,572,857	4,148,638
INSURED BENEFITS	6,418,855	7,071,953
PUBLIC SAFETY RADIO	356,525	342,591
SUPPORT SERVICES	634,459	1,149,231

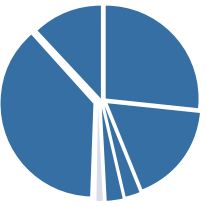


### SPECIAL REVENUE FUNDS

THESE FUNDS ACCOUNT FOR REVENUES USED FOR SPECIFIC PURPOSES INCLUDING HOUSING AND community development, communications, public health initiatives and law enforcement activities.

		2006 EXPENDITURES	2007 BUDGET	FUNDING
COMMUNITY DEVELOPMENT	AIRPORT SOUTH ENVIRONMENT REVIEW	\$165,032	\$1,036,259	Environmental review fees
COMMUNITY SERVICES	COMMUNICATIONS	951,150	952,642	Franchise fee/other fund charges
	PUBLIC HEALTH SPECIAL REVENUE	726,660	761,181	Funded by state grants
PUBLIC SAFETY	POLICE SPECIAL REVENUE	3,597,303	1,800,204	Forfeited assets and grants and one-time reimbursement*/ property taxes**

- \* Used for specific police capital and operating expenses.
- \*\* If the City is required to fund Bloomington's Fire Pension Fund, the tax levy will be the funding source.



### STRATEGIC PRIORITIES FUND

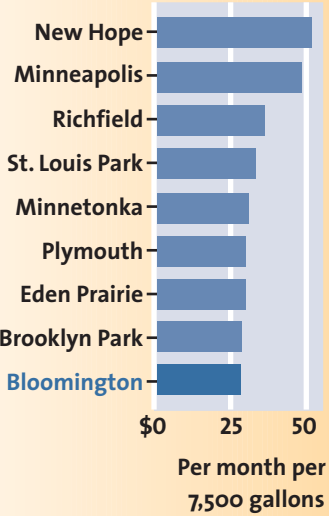
THIS FUND IS USED FOR CITY COUNCIL PRIORITIES THAT INCLUDE COMMUNITY RENEWAL AND enhancement projects. Monies budgeted for the Pavement Management Overlay Program included \$950,000 in 2006 and \$1.7 million in 2007.

	2006 EXPENDITURES	2007 BUDGET	NET PROPERTY TAX PER MONTH
	\$1,836,290	\$2,359,788	\$1.17

### 2007 RESIDENTIAL WATER AND SEWER RATE SURVEY

MONTHLY COSTS TO RESIDENTS IN NINE cities for water and sewer service in 2007 range from \$28.82 per 7,500 gallons in Bloomington to \$53.15 in New Hope. Most of these cities, including Bloomington, soften their water before distribution to residents.

The City's softened water and sewer services are bargains at only 1 cent per 2.6 gallons – another example of how the City's quality services are a good value for your dollar.



### IT JUST TASTES BETTER MORE PEOPLE CHOOSE CITY WATER OVER BOTTLED

IN A BLIND TASTE TEST HELD AT THE Energy and Environmental Fair in February, City of Bloomington water was compared glass-to-glass with bottled spring water. Almost 90 percent of the participants selected City water as having a better taste. Comments included, “The tap water is fantastic here,” and “I have lived in Bloomington since 1955 and I am proud of the water.”

A cost comparison shows the value of Bloomington's water. One gallon of bottled spring water costs approximately 90 cents, the same as 385 gallons of City water. Bloomington citizens are indeed receiving quality water at a bargain price.

Minnesota state law, Chapter 156 of the Session Laws of 2005, requires that “a city or county with a population of more than 15,000 must annually notify its residents of the positions and base salaries of its three highest-paid employees.” For the City of Bloomington, names, titles and salaries are: Mark Bernhardson, City Manager - \$144,292; Karl Keel, Public Works Director - \$135,000; and Larry Lee, Director of Community Development - \$130,867.



OUR FUTURE IS BRIGHT

ABOUT THIS REPORT

THE CITY COUNCIL PRESENTS THIS CORPORATE report of financial and related information to show how Bloomington’s city government performs. This publication does not include Housing and Redevelopment Authority or Port Authority budgets.

- Mayor**  
Gene Winstead, 952-888-1258 (h); gwinstead@ci.bloomington.mn.us
- Councilmembers**  
council@ci.bloomington.mn.us  
Rod Axtell, 952-832-5377 (h)  
Steve Elkins, 612-578-2103 (c)  
Amy Grady, 952-884-6502 (h)  
Karen Nordstrom, 952-831-5221 (h)  
Steve Peterson, 952-884-3262 (h)  
Vern Wilcox, 952-854-1425 (h)
- City Manager**  
Mark Bernhardson, 952-563-8780  
citymanager@ci.bloomington.mn.us
- Assistant City Manager**  
Clark Arneson, 952-563-8921  
carneson@ci.bloomington.mn.us

**Comprehensive Annual Financial Report**  
The City of Bloomington reports financial year-end results in the more than 150-page *Comprehensive Annual Financial Report* (CAFR). The *Corporate Report to the Community* summarizes the most significant data from the 2006 CAFR and the 2007 Annual Budget, and is consistent with Generally Accepted Accounting Principles. The report reflects the net tax cost by service expenditure developed by crediting related revenues against appropriate expenditures and allocating local taxes against the remaining balance.

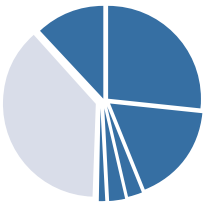
The City of Bloomington Corporate Report to the Community is unaudited. This popular report format has been used for the past eight years and is also available on our Web site at www.ci.bloomington.mn.us. For a complete review of the City’s financial position for 2006, consult the 2006 CAFR, available from the Hennepin County Library, Bloomington Finance Department or the City’s Web site. For more information on the 2007 Annual Budget, visit the City’s Web site or call 952-563-8790.

WHAT DO YOU THINK?

DIRECT COMMENTS AND SUGGESTIONS to the Finance Department, phone: 952-563-8790, e-mail: finance@ci.bloomington.mn.us. Visit www.ci.bloomington.mn.us to find out more about City services.



*Imagine...*  
a \$2.1 billion development in the city’s Airport South District. A significant investment in the area will be realized when all phases of Bloomington Central Station, see rendering above, and the Mall of America’s second phase are complete.



CAPITAL PROJECTS

CAPITAL PROJECTS PURCHASE AND IMPROVE MAJOR assets such as land, structures, equipment and streets.

2006 EXPENDITURES	2007 BUDGET
\$20,509,666	\$70,093,697



AIRPORT SOUTH PROJECT

More than \$74 million has been budgeted over the next five years for infrastructure improvements in the Airport South development district. The project is being funded from business tax revenues and is in the second year of a revised 10-year program. Anticipated 2007 capital expenditures total \$31 million, including \$3.2 million for storm water pond improvements and \$1.2 million for road improvements. The City is advancing funds for a \$26.2 million parking structure. See below. The Metropolitan Council will lease and operate the structure and repay the funding in full.



A new parking structure at the 28th Avenue LRT Station and an additional LRT station at 34th Avenue are planned improvements that will further encourage higher-density, mixed-use growth in Airport South. Construction recently began on the 1,450-space, five-level parking structure at the heavily used 28th Avenue park-and-ride station. The parking ramp is scheduled to open in November 2008.

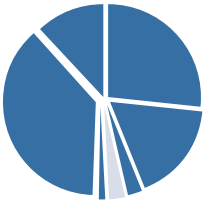
PAVEMENT MANAGEMENT



The Pavement Management Program is a funding and implementation plan for repair, maintenance and reconstruction of Bloomington roadways. Identified needs are funded through state aids, assessments and an annual levy. To maximize efficiency, the most cost-effective time to repair streets is calculated and the funding needs are levied over several years. Approximately \$5.2 million is budgeted for program expenditures in 2007.

LYNDALE AVENUE BRIDGE

A new bridge will be constructed at I-494 and Lyndale Avenue beginning in fall 2007. Eighty percent of the funding for this project is federal money. The remaining funding is from the Minnesota Department of Transportation and municipal state aid. Construction is scheduled for completion by 2010. No additional maintenance funding is required in the operational budget for the bridge replacement.



DEBT SERVICE

2006 EXPENDITURES	2007 BUDGET	AVERAGE NET PROPERTY TAX COST PER MONTH
\$7,650,520	\$4,725,159	\$5.40

MANY COMMUNITY NEEDS MUST BE MET BY THE CITY OF BLOOMINGTON, INCLUDING STREET AND infrastructure work, construction projects and equipment purchases. The City’s ability to issue future debt at lower interest rates will provide for our community’s upkeep and renewal without substantially increasing property taxes for debt service.

OUTSTANDING DEBT

The City’s total outstanding debt on December 31, 2006, was \$41,905,000. The City’s net debt per capita is \$392. See right. The total legal debt limit for Bloomington is \$222 million. More than half of Bloomington’s debt will be paid off in 10 years – a sign of a strong financial organization. The Port Authority has outstanding debt of \$40.4 million which will be paid off from TIF revenues and the local liquor and lodging taxes.

CITY OF BLOOMINGTON BONDS

General Obligation (G.O.) Bonds	\$6,680,000
G.O. Improvement Bonds	26,105,000
G.O. Tax Increment Bonds	7,590,000
Enterprise Fund Revenue Bonds	1,530,000
TOTAL	\$41,905,000
Less: Funds on hand	(8,452,447)
TOTAL NET DEBT	\$33,452,553
NET DEBT per capita	\$392
PORT AUTHORITY BONDS	
Special Tax Revenue Refunding	\$33,000,000
Lease Revenue Bonds	7,395,000
TOTAL	\$40,395,000